

**MINUTES OF SPECIAL MEETING OF
THE REDEVELOPMENT COMMISSION OF GREENSBORO
FRIDAY, JULY 14, 2006**

SPECIAL MEETING

The Redevelopment Commission of Greensboro met in Special Meeting in the Plaza Level Conference Room, Melvin Municipal Office Building, on Friday, July 10, 2006 commencing at 12:20 p.m. Commissioners present were: Chair Joe Wood, Bill Benjamin (arrived at 1:24 p.m.), Nettie Coad and Jerry Leimenstoll. Andy Scott, Dan Curry, Barbara Harris, Dyan Arkin and Shawna Barrett represented the Housing and Community Development Department (HCD). Mike Williams, Esq., represented the City Attorney's Office. Jim Blackwood, Esq., was present as legal counsel for the Commission.

Chair Wood said anyone addressing the Commission should get close to the table and speak into one of the microphones so that the recording secretary can pick up your name, address and comments for the record.

1. APPROVAL OF MINUTES OF JUNE 20, 2006 REGULAR MEETING.

Mr. Leimenstoll moved that the minutes of the June 20, 2006 meeting be approved as written, seconded by Ms. Coad. The Commission voted 3-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None.)

2. AMENDMENT TO BY-LAWS TO CHANGE REGULAR MEETING DATE TO THE 2ND TUESDAY OF EACH MONTH.

The Commissioners had a copy of the amendment.

Mr. Leimenstoll moved that the Commission accept the proposed amendment to the By-Laws, changing the meeting date for regular meetings of the Commission to the 2nd Tuesday of each month at 4:00 p.m. or no later than 5:00 p.m. (time to be announced by staff), seconded by Ms. Coad. The Commission voted 3-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None.)

3. SOUTH ELM STREET NEIGHBORHOOD:

b) Discussion of Redevelopment Plan

Mr. Curry said he had some information about the budget on the project, which the Commission had asked about at the last meeting. He presented a draft of the actual page that they would see in the Redevelopment Plan that deals with the project budget. It is still a draft and probably will change over the next couple of weeks before it is finalized, but he thought it was relatively close. Up to this point, they had been talking about a \$6 million project, which is the money currently in-hand from various funding sources. Those sources are listed on the left side of the page, including the EPA grant, which goes to do the environmental assessment work, the HUD grant and loan that are our primary funding source right now for the acquisition work. Then there are CDBG funds, which is the \$398,000 that was used to purchase the St. James property and demolish the units there. The City has committed \$1,050,000 to infrastructure improvements.

He answered several questions posed by the Commissioners.

Mr. Curry said basically that this project is going to cost more money than the current allocations. So in the plan they will lay out what they think those costs are going to be and where the money is going to come from that, right now, they think is totaling a \$13 million project. He also went over where they feel the additional funds will come from. When staff brings this plan forward, they will be asking for support

of the funding strategy that adds these other funding sources to this project. Ultimately, when the Commission and City Council votes to adopt the plan, you will be supporting that funding strategy.

Mr. Curry said the St. James property would not be included in the South Elm Street Project because it is already a part of the Warnersville Redevelopment Area. Staff was asked by the City to include the project funding in the overall program so we kept that funding there. The plan itself will make some recommendations for that property, although the recommendations are fairly general, but it will be reserved for future development basically like a second phase of the South Elm Project.

Mr. Curry said the South Elm Project would have 10 acres of actual real estate. He gave in round numbers the square footage that is anticipated for retail space, number of housing units split between owner and rental units and office space. He said from a financing standpoint, the parking garage(s) will be the most difficult component to accomplish.

Mr. Leimenstoll asked how staff proposes to get funding to build the parking garage(s)?

Mr. Curry said the Council had adopted "The Urban Development Incentive Guidelines," which is the process by which the City will review proposals for funding. The Wachovia Building Project that the City has recently made a funding commitment to was the first project to go through that funding program. So there is at least a precedent that the City is willing to and has a mechanism to provide that type of financing to a privately owned project. So what staff will be doing here is the same methodology in terms of the type of financing. It is based on the tax increment that would be generated by this new development and then allow the City, in effect, to borrow against that future tax increment and provide funding for up-front capital expenditures in the project. Staff thinks the plan is sound and this is a method to request funding that has a marginal impact on the City Budget.

c) Rescheduling of Public Hearing on Redevelopment Plan

Ms. Harris said the dates the Commission was being asked to consider for the public hearing on the Redevelopment Plan were August 17 and August 22. Shiloh Baptist Church's facilities will be available on either of those dates. The Commission's regular meeting will be on August 8. They will hold that meeting only if they have sufficient agenda items.

Counsel Blackwood said he would not be available August 17. He could probably have Mr. Brannan cover it. The 22nd is not a problem.

Ms. Coad moved that the public hearing on the South Elm/Brownfields Redevelopment Plan be held on August 22, 2006 at 6:00 p.m., at Shiloh Baptist Church, seconded by Mr. Leimenstoll. The Commission voted 3-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None.)

a) Discussion of Property Acquisitions

Mr. Curry said Ms. Harris had a chart showing all of our appraisal work to-date. He was going to walk the Commission through all the properties so we will know where we are. Staff will probably make a recommendation to the Commission at the end of this discussion to undertake some additional appraisal work.

Chair Wood said one of the things the Commission had asked about was, did Counsel Blackwood get a copy of the baseball option contracts?

Counsel Blackwood said he would like to address that for a moment. The prior contracts are not germane to what you are doing. He knows that it impacts the owners' thinking. He had seen those contracts and those contracts had provisions in them where the sellers represented that they had never

had any hazardous waste or environmental substances that would create any problems whatsoever and they had inspection rights with refundable deposits. Other than statements along that, he really thinks that there is no reason for the Commission, in trying to determine what is a fair market value, to really be concerned with what was in those contracts.

Chair Wood moved that the Commission go into Executive Session to discuss property acquisitions, seconded by Ms. Coad. The Commission voted 3-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None.)

The Commission went into Executive Session at 1:00 p.m.

The Commission came out of Executive Session at 1:10 p.m.

Mr. Benjamin arrived at 1:24 p.m. and participated in the balance of the meeting.

Mr. Curry said he would walk the Commission through the different properties. He explained in detail the exact properties to be acquired and pointed their location on a map. He also explained the methodology of two different appraisal groups, stating that both methodologies were acceptable. However, this led to his explanation of why staff would be recommending that certain properties be reappraised.

Mr. Scott arrived at 1:32 p.m. and participated in the balance of the meeting.

Chair Wood moved that the Commission go into Executive Session to discuss a personnel issue, seconded by Mr. Benjamin. The Commission voted 4-0 in favor of the motion. (Ayes: Wood, Benjamin, Coad, Leimenstoll. Nays: None.)

The Commission went into Executive Session at 1:40 p.m., which was off the record.

The Commission came out of Executive Session at 1:54 p.m.

Chair Wood said that the item discussed was not an agenda item and no action was taken. Also it did not relate to any member of the City of Greensboro staff or any employee of the Redevelopment Commission.

Mr. Curry said staff recommends the best approach at this point is for the Commission to request some additional appraisal work. Staff would suggest that all of the McNairy appraised properties are the properties at which you should be looking, with the exception that at this point he did not believe it would be worth the dollars to do anything else on the North State property. The North State property recently sold for \$160,000. There are four properties on which staff would recommend additional appraisal work. These include the Elm CCM, Worth, Coe and Gray properties. Staff would suggest that the Commission authorize on two of those properties that staff go ahead and ask both of our other appraisers to appraise them. That would allow us to look at the broadest range of appraisal work and make sure that we are getting relatively consistent assessment in valuation of properties from all of our appraisers. On the other two properties, the Commission could select one of the other, either Herbert or Taylor/Pope, to reappraise.

Mr. Benjamin said he was inclined to say that given the resistance they are seeing to-date and where we have to go, and to feel that what we are doing is fair, we really need to have more substantiation.

Mr. Leimenstoll moved that the Commission set a policy for appraising properties in the South Elm Redevelopment Area and that will be to have two appraisals with a review/reconciliation for each property, and that they start with the Elm CCM, Worth, Coe and Gray properties, to be followed by the Dwiggins, Gateco, Harris and Gaddy properties and then all future properties that need to be appraised.

Mr. Scott asked if a friendly amendment could be added whereby it would allow on two properties to get the third appraisal.

Mr. Leimenstoll accepted the friendly amendment to be added to his original motion. Ms. Coad seconded the motion as amended. The Commission voted 4-0 in favor of the motion as amended. (Ayes: Wood, Benjamin, Coad, Leimenstoll. Nays: None.)

Mr. Curry said as an implementation piece, staff probably should communicate to the property owners to let them know that something is happening that is different from what they are currently aware of.

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There being no further business before the Commission, the meeting was adjourned at 2:28 p.m.

Respectfully submitted,

Dan Curry, Assistant Secretary
Greensboro Redevelopment Commission

DC/jd.ps